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Assistance to Myanmar*

Note by the Administrator

Summary

The present report contains the major conclusions, recommendations and strategic challenges identified in the 2009 independent assessment of the Human Development Initiative, phase 4, for the period December 2008 to May 2009, in accordance with the guidelines set out in Executive Board decisions 98/14, 2001/15, 2003/2, 2004/2, 2005/3, 2005/42, 2006/2, 2006/31 and 2007/36. The three-member international independent mission carried out its work in Bangkok from 4 to 7 May 2009, and in Myanmar from 8 May to 30 May 2009. The report of the previous assessment (2008) was circulated through the Executive Board secretariat to Board members in March 2009.

The mission concluded that the Human Development Initiative was in compliance with the Executive Board mandate and addressed the needs of poor and vulnerable people in rural areas of Myanmar. The mission highlighted key challenges and made recommendations that UNDP may wish to consider for implementation under the Human Development Initiative.

Cyclone Nargis hit Myanmar on 2 and 3 May 2008, and left over 138,000 people dead or missing and 2.4 million severely affected, prompting the issuance of a flash appeal and a humanitarian appeal, followed by the development of the 'post-Nargis recovery and preparedness plan, 2009-2011'. The United Nations country team in Myanmar also agreed to develop a new United Nations strategic framework to cover the period 2012-2015. UNDP is therefore requesting a one-year extension of Human Development Initiative, phase 4, until the end of 2011 with no substantive changes to the programme focus endorsed by the Executive Board, in its decision 2007/36, for the current period, 2008-2010.

Elements of a decision

The Executive Board may wish to: (a) take note of the present document and of the report submitted by the independent assessment mission to Myanmar, in particular the strategic challenges and recommendations mentioned therein; (b) request that the Administrator take account of and implement the findings of the independent assessment mission, as appropriate, under the Human Development Initiative; (c) endorse the proposed one-year extension of the Human Development Initiative, phase 4, until 2011; and (d) authorize the Administrator to allocate for the revised period (2008-2011) an estimated $38.9 million from regular ('core') resources, and to mobilize other ('non-core') resources up to a total of $65 million. Both amounts are inclusive of the $24.1 million core and $24.9 million non-core resources authorized by decision 2007/36.

*The compilation of data required to provide the Executive Board with the most current information has delayed submission of the present report.

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I. Introduction

1. Since 1993, UNDP assistance to Myanmar has been carried out in compliance with the guidelines established in Governing Council decision 93/21 and Executive Board decisions 96/1, 98/14, 2001/15, 2003/2, 2004/2, 2005/3, 2005/42, 2006/2, 2006/31, and 2007/36. In accordance with those decisions, resources were targeted towards critical humanitarian and basic human needs in Myanmar at the grass-roots level, in the areas of primary health care, the environment, HIV/AIDS, training and education, and food security. Projects were formulated and coordinated within a framework entitled the Human Development Initiative.

2. The first phase of the Human Development Initiative (15 projects) was implemented between 1994 and 1996. The second phase consisted of 10 projects that were concluded in late 1999. The phase 3 projects were initiated in late 1999, pursuant to decision 98/14. The ongoing phase 4 was approved in decision 2001/15. Focusing initially on 24 townships, the programme comprises six projects: two community development projects, a microfinance project, a project on HIV/AIDS, a comprehensive survey on poverty and another on agriculture.

3. In 2005, with the approval of the Executive Board (decision 2005/3), the community development and microfinance projects began expanding to an additional 40 townships; and pursuant to decision 2005/42, phase 4 was extended for two more years to facilitate implementation of the expansion. A corresponding expansion in funding was approved, bringing the total core resource envelope to $43 million for the period 2002-2007, and the ceiling for non-core resource mobilization to $65 million. In its decision 2006/31, the Board approved a further 3-year extension of the programme for the period 2008-2010, with the requirement that the programme be presented in greater detail in 2007. In its decision 2007/36, the Board endorsed the proposed programme focus during the 3-year extension (2008-2010) of phase 4, and authorized the Administrator to allocate an estimated $24.1 million from regular resources and $24.9 million from other resources mobilized for the period 2008-2010.

4. The 2008 independent assessment mission to Myanmar was delayed due to Cyclone Nargis, and was undertaken in November 2008. The mission, consisting of three international consultants, assessed UNDP activities in Myanmar as being in compliance with the Executive Board mandate. The detailed assessment report was circulated to Executive Board members in March 2009.

5. Similarly, the 2009 independent assessment mission to Myanmar, consisting of three international consultants, provided a detailed review of the following: (a) the conformity of Human Development Initiative, phase 4 (including activities undertaken in response to Cyclone Nargis) with the Executive Board mandate; (b) programme focus and effectiveness; and (c) challenges and constraints in project implementation. The detailed assessment report is available on the Executive Board website.

6. The assessment methodology included: (a) extensive review of documentation for the phase 4 projects that are still operational, namely, the community development projects, the microfinance project, the integrated household living conditions assessment project and the HIV/AIDS project; (b) visits to project villages in nine of the 60 active project townships; (c) systematic consultations with beneficiaries during field visits; and (d) meetings with diplomatic delegations, international and national non-governmental organizations and United Nations organizations.

II. Conformity with decisions of the Governing Council and the Executive Board

7. The assessment mission concluded that the content and objectives of all Human Development Initiative projects conformed with the relevant provisions of Governing Council and Executive Board decisions. All projects operated independently of Government and targeted the village-level groups and needs described in the mandate. The mission found that projects addressed all of the issues identified, and worked consistently at the grass-roots level – specifically, at the village level with township-level support and coordination. UNDP informs the Government of all programme activities in an open, transparent manner, without involving or benefiting it directly. The 2009 assessment mission, like the 2008 mission, was of the opinion that UNDP interpreted its mandate extremely cautiously.

III. Programming context and constraints

8. Within the framework of the Executive Board mandate, UNDP assistance seeks to address the needs of the rural poor in Myanmar to the greatest extent possible. This is in the context of a relatively weak capacity on the part of the technical departments of government services in health, education, agricultural research and extension, livestock and small-scale fisheries. The *integrated household living conditions assessment* concluded that an estimated 10 per cent of the population were suffering from food poverty, while 32 per cent were living below the overall poverty headcount index line, meaning that they suffered from inadequate food, nutrition and essential non-food items.[1] A significant proportion of rural people were landless (30 per cent) or owned less than five acres (37 per cent).[2] Myanmar received relatively little Official Development Assistance compared to other least developed countries in the region, and a significant portion of public investment was allocated to large-scale infrastructure projects.

9. Cyclone Nargis struck the Ayeyarwady Delta region of Myanmar on 2-3 May 2008, leaving over 138,000 people dead or missing across 37 townships in the Yangon and Ayeyarwady divisions. Over 2.4 million people were severely affected, losing family members, livelihoods, homes and property. Humanitarian relief efforts focused on early recovery support and providing emergency assistance to affected communities. At the time the cyclone struck, UNDP had more than 500 project personnel working throughout the Delta, and that network provided essential logistical support to the immediate humanitarian response. UNDP went on to develop a range of community-based interventions within the ongoing integrated community development project and the microfinance project to provide early recovery support to cyclone survivors. The independent assessment noted that the role of UNDP in the formation and functioning of the coordination mechanisms (including the recovery forum under the post-Nargis recovery and preparedness plan framework, as well as the early recovery cluster) to respond to the impact of the cyclone was substantial.

10. One of the key operational challenges in Myanmar related to visa issuance and travel authorization for international personnel within the country. In May 2008, a

[1] Integrated Household Living conditions Survey in Myanmar: Poverty Profile. Ministry of National Planning and Economic Development and UNDP, 2007. p.39. In addition, the survey reported that almost 70 per cent of all family expenditure was on food (p. 56), suggesting vulnerability to the increase in food prices. This does not appear to have happened following the damage done by Cyclone Nargis.

[2] Agricultural Sector Review Investment Strategy. FAO. 2004.

Tripartite Core Group composed of representatives from the United Nations, the Association of Southeast Asian Nations, and the Government, was established to coordinate the international humanitarian response to Cyclone Nargis. The Group was granted authority to facilitate fast-track visa issuance, which helped facilitate the deployment of humanitarian workers for the cyclone relief effort, and played a central role in facilitating access for effective delivery of humanitarian assistance. However, that streamlined process was discontinued in March 2009, raising concerns about possible future delays in visa approvals for humanitarian workers involved in cyclone relief activities.

IV. Assessment of the Human Development Initiative, phase 4

A. Follow-up to 2008 recommendations

11. With regard to the implementation of the recommendations from the 2008 assessment, the mission noted that UNDP response and action on the recommendations was thoughtful and constructive, and should be seen in light of the relatively short time that had elapsed since the 2008 mission. The assessment noted progress in several areas: (a) a strategy paper had been developed for potential policy dialogue with the Government, identifying themes and issues of particular relevance as well as approaches and opportunities for pursuing the dialogue; (b) actions had been taken to develop a gender policy and strategy; and (c) a decision had been taken to link microfinance activities to self-reliance groups with the intention to provide wholesale loans to mature and capital constrained self-reliance groups.

12. The assessement mission also reported that a number of past independent assessments had called for a strategy and operational guidelines to reduce UNDP support in villages where it had been in place for a long period of time. The framework for that strategy was not yet as clear as would be desirable. An issue of concern was the phasing-out of support to the most mature self-reliance groups. The 2008 independent assessment suggested alternative criteria for assessing the maturity of self-reliance groups, and suggested further that using these alternative criteria might reveal that a significant number of self-reliance groups no longer need grant support.

B. Status of Human Development Initiative, phase 4, projects and issues

13. The *integrated community development* project was operational in 23 townships in the Dry Zone, Shan State and the Ayeyarwady Delta. The objective of the project was to strengthen the capacity of poor communities to address their basic needs, particularly those of the poor and disadvantaged. The *community development in remote townships* project operates in border states: Kachin, Chin, Kayin/Mon, and Rakhine – including northern Rakhine State – covering 26 townships. The objective of project was to strengthen the capacity of poor communities in remote border townships to address their basic needs through a participatory community development approach. The community development in remote townships project had recently been brought under the 'direct execution' modality, and further programmatic integration between the two community development projects was expected to take place.

14. The independent assessment found that the two community development projects continued to support improving the lives of the poor and disadvantaged, particularly through livelihood enhancement, access to credit, improved skills and social capital. The 3,800 self-reliance groups continued to be the centrepiece around which most

gains were achieved. As that project element involved women almost exclusively, it had significantly improved the capacity, mobility and participation of women at the household and community levels. The assessment noted the proportion of self-reliance groups whose maturity status is rated as 'medium' and 'medium high' had grown by 4 per cent and 14 per cent, respectively, over the past two years; however, there had been little or no increase in the proportion of groups whose maturity status was rated as 'high' or 'very high'. The assessment found that the proportion of groups with different maturity levels should be a management instrument to determine the intake of new self-reliance groups and the focus of support to existing groups. Innovations undertaken by UNDP and noted by the assessment as potentially promoting sustainability of the groups included joint meetings of groups from different villages to share experiences, and existing groups serving as mentors for new groups.

15. The assessment also noted that a recent UNDP outcome/impact study found that in a number of areas such as food security, access to sanitation, access to credit and livelihood inputs (seeds, fertilizers) there had been a significant improvement in project areas compared to the non-project areas selected as control groups. The study showed that 74 per cent of the beneficiaries participating in the study perceived that the UNDP projects had noticeably improved their livelihoods. The study was complemented by qualitative case studies of self-reliance groups and a participatory evaluation, which found significant gains in all areas except natural resource capital.

16. On the other hand, the studies suggested that in some critical indicators, particularly health and education, there was little difference between project villages and non-project villages. The assessment noted several methodological issues with the studies, and suggested that further analysis of the data might provide more detailed information on the impact of the Human Development Initiative.

17. Previous independent assessments had recommended improving targeting to reach the poorest households. In response, since 2007, UNDP had been implementing a 'poorest of the poor' strategy within the integrated community development project, using a modified self-reliance group concept. The project reported that at the end of 2008, 186 'poorest of the poor' groups had been formed, 26 of which had failed. The independent assessment therefore supported the intention of the country office to undertake a review of the strategy, and recommended that the review include the basic assumptions underlying the strategy to assess its relevance and effectiveness.

18. An *integrated community early recovery framework* was developed as part of the integrated community development project to assist cyclone-affected populations in the Delta townships where the project has been active. UNDP assisted integrated early-recovery programmes in 500 villages (with another 250 villages planned by 2010), in close coordination with other United Nations organizations and international non-governmental organizations. The integrated community early-recovery framework was the largest and most varied component of the integrated community development project in terms of funding and range of activities, which fell under five broad categories: (a) agriculture, fisheries and livestock; (b) livelihoods; (c) community infrastructure; (d) community capacity development; and (e) community-based disaster preparedness and risk reduction. It worked in a complex environment with over 50 other organizations operating in the Delta. The assessment found that UNDP responded quickly and was able to play a significant role in the emergency response. The assessment noted the challenges in addressing priority needs when future funding levels were uncertain. However, the assessment found that prioritization and sequencing of interventions, in view of limited and uncertain funding resources, were of paramount importance, and were recognized as such by project management.

19. In the period following the 2008 independent assessment, the Tripartite Core Group produced the post-Nargis recovery and preparedness plan, a three-year (2009-2011) framework for international assistance from emergency and early recovery, to medium- and long-term recovery. The assessment noted UNDP was an active contributor to the cluster working groups involved in developing the framework.

20. The *sustainable microfinance to improve the livelihoods of the poor* project was operational in 22 townships (including areas affected by Cyclone Nargis) and focused on disciplined, sustainable microfinance services for women micro-entrepreneurs in selected poor villages. The project showed excellent performance on standard indicators for microfinance operations such as loan recovery, efficiency, and operational and financial self-sufficiency. The assessment noted significant achievements in reviving microfinance activities in the cyclone-affected areas in the Ayeyarwady Delta, where UNDP had established or re-established relationships with 44,000 old and new clients and disbursed approximately 36,000 loans. The assessment also noted that a new loan product – housing loans – had been developed for the Delta. The project faced serious funding constraints, partly as a result of a strong demand for capital, particularly in the Delta, and the loss of loan capital from the write-off of loans as a consequence of the cyclone. The assessment further noted that the project should promote savings deposits more actively, so as to increase domestic capital mobilization, and that UNDP could engage with project management more actively to promote synergies with other UNDP projects and develop fund mobilization strategies.

21. In 2005 the *enhancing capacity for HIV/ AIDS prevention and care* project refocused its objective on strengthening the capacity of the self-help groups and raising awareness of villagers, including young adults, adolescents and men, to the risks of HIV/AIDS. The assessment noted the significant expansion of activities since then to over 120 self-help groups, including 9,000 members living with HIV/AIDS across the country, with increased assistance given to group members and their affected families. The project was integrated further into the programme management structure through the change of modality to direct execution, which the assessment expects will lead to greater coordination and impact in the project areas. A recent technical review concluded that those changes supported the 2008 independent assessment recommendation for delivering community education in cooperation with UNDP community development projects while respecting the special features of HIV/AIDS prevention and education.[3]

22. The *integrated household living conditions assessment* explored the extent, nature and causes of poverty in Myanmar through a survey involving 18,660 households throughout most of the country. Since the first round of the survey was conducted in 2005, two reports, entitled 'Poverty Profile' and 'Millennium Development Goals: Relevant Information' had been published and disseminated, providing the Government, United Nations organizations and other donors with information that could be used to develop poverty reduction strategies and programme interventions. The independent assessment noted the project was well on track for the second national household survey in 2010, which would make it possible to assess changes in the poverty situation over the past five years.

23. The independent assessment also noted several cross-cutting themes: (a) Human Development Initiative projects had a significant impact in addressing women's equality through self-reliance groups and microfinance activities, where most participants are women; (b) the country office was able to incorporate gender concerns

[3] O'Loughlin, Bill, *Enhancing Capacity for HIV/AIDS Prevention and Care*, UNDP Myanmar, Technical Review, April 2009, pp.4, 39

into its cyclone response activities by providing gender-related data and analysis; (c) the country office produced a coherent, comprehensive gender strategy and action plan which will require continued funding and management support; (d) UNDP had addressed environmental issues, although a more comprehensive review of practices could be made from a sustainable livelihoods perspective; (e) monitoring and evaluation systems continued to evolve, with the development of a comprehensive monitoring framework and establishment of a monitoring, evaluation and learning group to upgrade monitoring and evaluation approaches and methods; and (f) reporting on the integrated community development project and the community development in remote townships project improved significantly, with room for further improvement.

24. The assessment reviewed developments in programme management: (a) in response to recommendations made by previous assessments, the country office had transitioned to a new programme management structure, bringing community development projects, the HIV/AIDS project, and the integrated household living conditions assessment project under direct execution, and the microfinance project under non-government organization execution; (b) recognizing that UNDP intended to request a one-year extension of the Human Development Initiative, phase 4, the assessment recommended no change to the programme in the near term, and suggested concentrating management efforts on developing a solid preparation process for the new, post-phase 4 programme; and (c) as part of the development of new programming to succeed phase 4, UNDP would need to examine sustainability and exit strategies.

V. Conclusions and recommendations of the independent assessment

25. The 2009 mission concluded that Human Development Initiative, phase 4, was being implemented in compliance with the mandate set by the UNDP Governing Council and Executive Board and that it was effective in reaching the poor and vulnerable in rural areas of Myanmar. Areas requiring greater emphasis include: (a) increased use of the data and analysis generated by impact studies and surveys to guide programme management decisions; (b) further simplification of vulnerability assessment tools and measures to guide beneficiary targeting; (c) a more active role by country office management to direct assistance under the microfinance project; (d) continued financial and management support to the recently developed gender strategy; and (e) review and reallocation where possible of integrated community early-recovery framework funds under the integrated community development project to respond to emerging needs.

VI. Proposal for a one-year extension of the Human Development Initiative, phase 4

26. The United Nations country team in Myanmar has agreed to develop a new United Nations strategic framework to cover the period 2012-2015. United Nations organizations with ongoing programmes have agreed to align future programme activities within the proposed time frame of the strategic framework.

27. Following the launch of the revised humanitarian appeal for Myanmar and the post-Nargis Joint Assessment report in July 2008, the Tripartite Core Group commissioned the preparation of the post-Nargis recovery and preparedness plan, a three-year medium-term recovery plan to cover the period January 2009 until December 2011. The purpose of the plan is to provide the strategic and multi-sectoral

framework for international assistance to support the transition from emergency relief and early recovery towards medium-term community-based recovery across eight operational sectors. The plan also includes a coordination structure designed to promote maximum effectiveness and tracking of aid.

28. UNDP requests a one-year extension, to 2011, of the current three-year (2008-2010) phase 4 extension period so as to ensure (a) harmonization of UNDP programming with that of other United Nations organizations in preparing for the proposed strategic framework for 2012-2015, to be developed by the United Nations country team; and (b) the continuity of UNDP activities within the timeframe of the post-Nargis recovery and preparedness plan that will guide the international response to Cyclone Nargis until the end of 2011. UNDP will continue to implement its activities in line with the programme focus endorsed by the Executive Board in decision 2007/36.

VII. Funding requirements

29. In its decision 2007/36, the Executive Board authorized the Administrator to allocate an estimated amount of $24.1 million from regular budget resources, and $24.9 million from other resources mobilized for the period 2008-2010. The revised regular resources funding requirement for 2008-2011 is estimated at $38.9 million. That amount includes one additional year of regular resources funding in 2011 – consistent with the previous authorization under Executive Board decision 2007/36 – and a further $6.8 million to offset unanticipated core resources allocations to support the response to Cyclone Nargis. The corresponding other ('non-core') resources needs are estimated at $65 million for the period 2008-2011. The revised regular and other resources funding requirements for 2008-2011 are inclusive of the $24.1 million regular and $24.9 million other resources authorized by the Executive Board in decision 2007/36.